

# 2004 Annual Meeting Survey

**A Report to:**



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COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

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**Fleishman-Hillard Knowledge Solutions**  
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## EXECUTIVE SUMMARY

About 10 percent (132) World Economic Forum (WEF) members participated in the 2004 Annual Meeting Survey also known as the “Voice of the Leaders Survey.” WEF sent the survey to its members in December 2003, and received 132 completed questionnaires by January 12, 2004.

Key findings from this survey include:

- By a ratio of more than two-to-one, members believe the next generation is more likely to live in a prosperous (59%) rather than safe (27%) world. This finding suggests that world leaders are somewhat more pessimistic toward world safety than citizens at large. In the Voice of the People Survey, less than one-half (48%) of citizens across 51 countries think the next generation will live in a less safe world.
- Members tend to believe the outlook for their personal security looks better now (65% assign positive ratings) than it will in 10 years’ time (only 41% assign positive ratings).
- While most members (90%) associate either high or moderate risk with the current geopolitical situation, most (82%) are more optimistic now than they were a year ago regarding the global economy.
- Members are most likely to perceive quality or products/services, corporate/brand reputation, and profitability as the three most important measures of corporate success. The importance of corporate/brand reputation is reinforced by the findings that:
  - A majority of members believe 40% or more of their company’s market capitalization is represented by brand/reputation.
  - Members also believe that economics/markets and competitors represent the biggest threats to a corporation’s brand.
  - Most (92%) perceive brand reputation as important to their corporation’s strategy.

- The three types of stakeholders that members are most likely to perceive as having the greatest influence on corporate reputation/integrity are senior management, customers, and employees.

## INTRODUCTION

### **MORE THAN 100 MEMBERS PARTICIPATED IN THE WORLD ECONOMIC FORUM'S 2004 ANNUAL MEETING SURVEY.**

The World Economic Forum (WEF) sent the surveys to its members in December 2003 and asked them to return their completed questionnaires via fax. WEF received 132 completed questionnaires by January 12, 2004, and Fleishman-Hillard Knowledge Solutions tabulated and analyzed the survey findings.

This report summarizes the key findings from the survey. The sampling error associated with 132 interviews is plus or minus five to nine percentage points at the 95% confidence level.

## **MOST OF THE MEMBERS WHO PARTICIPATED IN THE SURVEY REPRESENT CORPORATIONS FROM MORE THAN 10 DIFFERENT SECTORS.**

Four respondents out of five represent companies or organizations that are headquartered in either the U.S., Canada, or Europe, and almost half perceive their organization's brand as a global one. Where appropriate and meaningful, this report highlights the differences among members based on region, type of organization (e.g., corporation versus NGO), sector, and type of brand.

**Table 1: Demographics**

<b>Table 1: Demographics</b>	
<b>Do you represent:</b>	<b>Total n=132</b>
Corporation	60%
NGO	10%
Academic institution	9%
Media	7%
Financial institution	6%
Government	4%
Religious leader	1%
Other	4%
<b>Where is your company headquartered/registered:</b>	<b>n=132</b>
United States/Canada	41%
Europe	39%
Middle East/North Africa	6%
East Asia and the Pacific	4%
Latin America/Caribbean	3%
South Asia	3%
Sub-Saharan Africa	2%
Central Asia	0%
Refused	2%
<b>If a corporation, please identify your company's sector*:</b>	<b>n=103</b>
Retail and Consumer Goods	14%
Professional Services	13%
IT and Electronics	11%
Banking	11%
Media and Entertainment/Telecommunications	9%
Energy	8%
Automotive	6%
Health	6%
Chemical	5%
Travel and Tourism	3%
Aerospace and Defense	1%
Other	17%
Refused	11%

**Table 1: Demographics (Cont.)**

<b>Total n=132</b>	
<b>How do you consider your brand:</b>	<b>n=132</b>
Global brand	48%
National brand operating in global market	28%
National brand	14%
Refused	9%

\*Asked of corporations but some others chose to answer as well; may add to more than 100% due to multiple responses.

## DETAILED FINDINGS

### 1. SECURITY AND PROSPERITY

**BY A RATIO OF MORE THAN TWO-TO-ONE, MEMBERS BELIEVE THE NEXT GENERATION IS MORE LIKELY TO LIVE IN A PROSPEROUS (59%) RATHER THAN SAFE WORLD (27%).**

Members rated the extent to which the next generation will live in a safer world and a more economically prosperous world. They used a five-point scale (ranging from “a lot less” to “a lot more”) to predict the safety and prosperity of the world for the next generation. Chart 1 illustrates these findings. Note that three-fifths of the respondents (61%) believe the next generation will live in a world that is a “little less” or “a lot less” safe. This finding suggests that world leaders (as measured by the WEF members who participated in this survey) are somewhat more pessimistic toward world safety than citizens at large. In a separate survey (“Voice of the People”) conducted by Gallup International on behalf of WEF, less than one-half (48%) of citizens across 51 countries think the next generation will live in a less safe world.

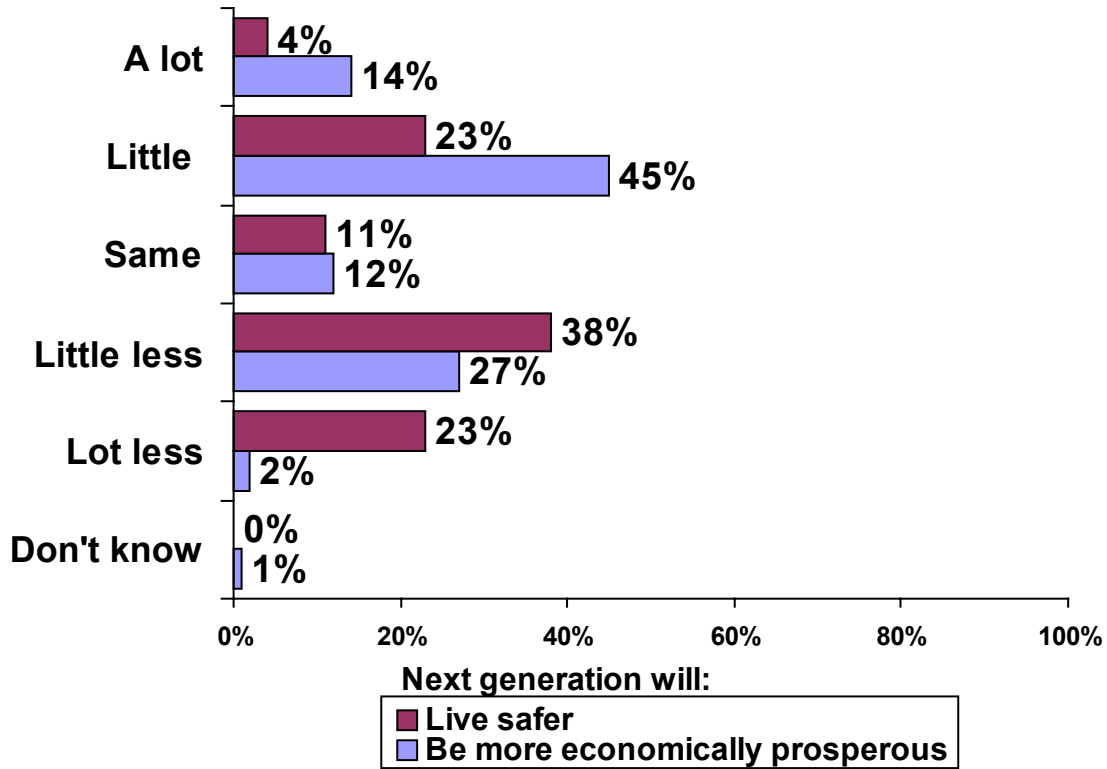
- Those who consider their brand to be a national one (these respondents tend to be based in Europe) are somewhat less likely than others to think the next generation will live in a less safe world (89% feel this way versus 61% overall).
- Those in banking may be somewhat less optimistic than those in other sectors. For example, while representing only 11 respondents, a majority of these leaders believe the world will be less safe and less prosperous for the next generation.

### Chart 1: Security and Prosperity

Question: "1. Do you think the next generation will **live in a safer or less safe world**, or will it be the same as now?"

"2. Do you think the next generation will be **more economically prosperous, less economically prosperous**, or the same as now?"

(n=132)



## **MEMBERS APPEAR MORE OPTIMISTIC ABOUT THEIR CURRENT PERSONAL SECURITY (65%) THAN HOW THEY THINK IT WILL BE IN TEN YEARS (41%).**

Members used a five-point scale to rate each of five different elements of safety and security that affect the world in which we live. They were first asked to rate these five elements based on their current perceptions and then based on whether they think each element will be better or worse in ten years. Chart 2 indicates that:

- They are somewhat **more** likely to believe international and environmental security/safety will be better in ten years' time than they are now.
- They are somewhat **less** likely to believe their personal security, their security/safety in retirement, or the economic position of the people in their country will be better in ten years' time than they are now.

Additional analysis suggests that:

- **NGOs** are somewhat **less** likely (although they represent only 13 respondents) than others to assign positive ratings to the current and the future status of these five different elements of safety and security that affect the world.

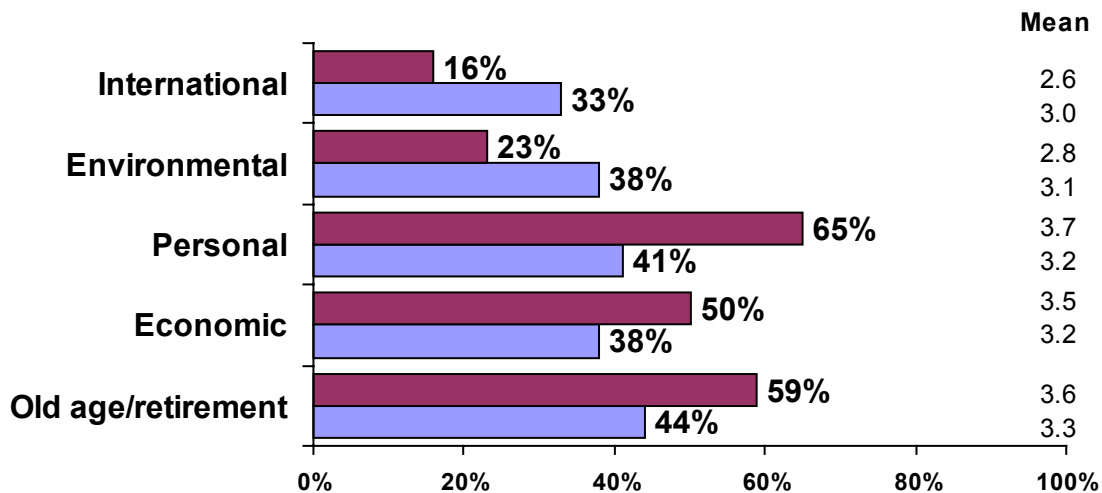
## Chart 2: Rating Types of Security

Question: "3. How do you feel about different elements of safety and security that affect us all and the world we live in? Using a scale where 1 means very poor and 5 means very good, how would you rate each of the following types of security?"

"4. Using a similar scale as before, but this time where 1 means much worse and 5 means much better, please rate each of the types of security estimating how you think they will be in **ten years time.**"

### Top Two Ratings on Five-Point Scale

(n=132)



■ Rate each at present ("very good" = top rating)

■ Rate how each will be in 10 years ("much better" = top rating)

## 2. GLOBAL ECONOMY AND POLITICS

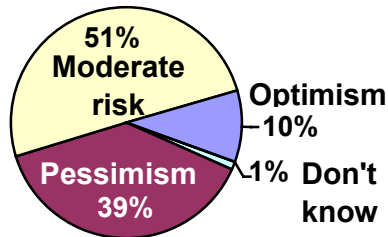
**WHILE ALMOST ALL MEMBERS (90%) ASSOCIATE EITHER “HIGH” OR “MODERATE” RISK WITH THE CURRENT GEOPOLITICAL SITUATION, MOST (82%) SAY THEY ARE “MORE OPTIMISTIC” NOW THAN THEY WERE A YEAR AGO REGARDING THE GLOBAL ECONOMY.**

Only one member out of six says he or she is less optimistic about the global economy now than they were a year ago.

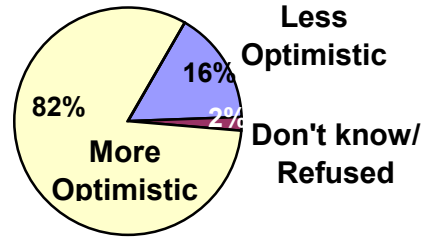
### Chart 3: Economic and Political Outlook

Question: “5. How would you rate the current global geopolitical situation?”  
 “6. Are you more or less optimistic about the global economy than you were at last year’s World Economic Forum?”

Question 5 (n=132)



Question 6 (n=132)



**AMONG NINE FACTORS TESTED, MEMBERS ARE MOST LIKELY TO PERCEIVE THREE AS IMPORTANT MEASURES OF CORPORATE SUCCESS: QUALITY OF PRODUCTS/SERVICES, CORPORATE/BRAND REPUTATION, AND PROFITABILITY.**

Members ranked nine different factors in order of importance as measures of corporate success. Table 2 indicates the proportion of respondents who ranked each factor either first, second, or third in importance. Note that the factors least likely to be ranked high on the list are corporate social responsibility, stock market performance, and market share.

Additional analysis suggests that:

- Those members who consider their brand to be a national one (only 19 respondents) are somewhat more likely than others to perceive quality of products/services as an important measure of corporate success.

<b>Table 2: Measure of Corporate Success</b>			
Question: "8. Rank the following in order of importance as a measure of corporate success. Place number in the column below with 1 being the highest or most important and 9 being the lowest or least important."			
<b>Factors that Measure Corporate Success:</b>	<b>Percentage Who Said #1 (n=132)</b>	<b>Percentage Who Said #1, #2, or #3 (n=132)</b>	<b>Average Value of Rank*</b>
Quality of products or services	27%	59%	3.0
Corporate brand reputation/integrity	24%	49%	3.0
Profitability	17%	53%	3.5
ROI: Return on Investment	13%	35%	4.3
Sustainability	6%	28%	4.9
Corporate governance	5%	22%	5.5
CSR: Corporate social responsibility	5%	14%	6.5
Stock market performance	5%	18%	6.4
Market share	2%	13%	5.8

\*Average rating where 1 = most important and 9 = least important.

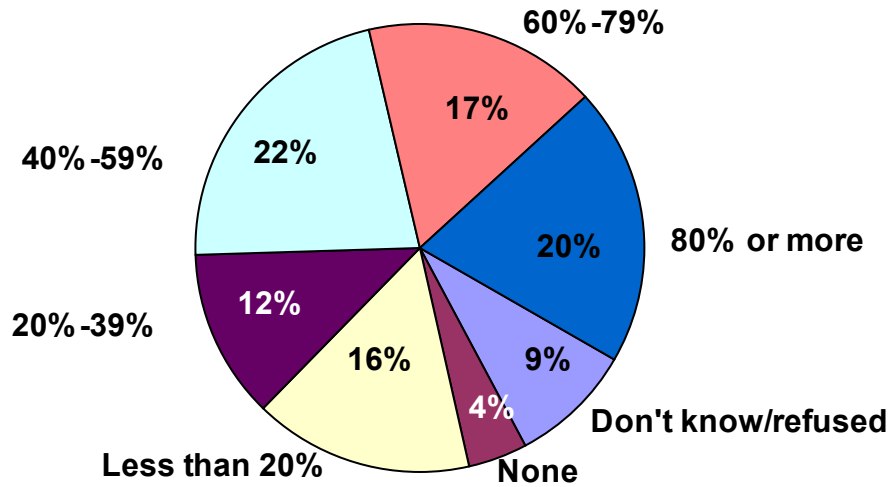
### 3. IMPORTANCE OF CORPORATE BRAND AND REPUTATION

**A MAJORITY OF MEMBERS BELIEVE 40% OR MORE OF THEIR COMPANY'S MARKET CAPITALIZATION IS REPRESENTED BY BRAND/REPUTATION.**

Most (77%) also believe a corporation's brand reputation/integrity has become more important over the past two years. Very few (4%) believe that their company's market capitalization is not attributable to its brand or reputation in any way or that brand reputation has become less important (3%).

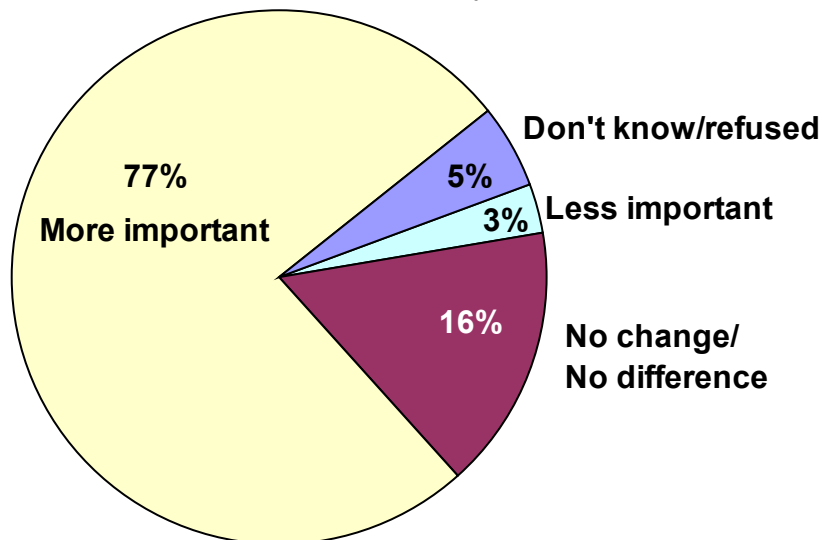
**Chart 4: Market Capitalization's Connection with Brand/Reputation**

Question: "7. What percentage of your company's market capitalization is represented by brand/reputation?" (n=132)



**Chart 5: Importance of Brand Reputation/Integrity**

Question: "9. Has a corporation's brand reputation/integrity become more important or less important over the past two years?" (n=132)



**AMONG EIGHT DIFFERENT TYPES OF STAKEHOLDERS, MEMBERS ARE MOST LIKELY TO PERCEIVE THREE AS HAVING THE GREATEST INFLUENCE ON CORPORATE REPUTATION/INTEGRITY: SENIOR MANAGEMENT, CUSTOMERS, AND EMPLOYEES.**

Members ranked eight different types of stakeholders in order of importance in terms of the influence they have on corporate reputation/integrity. Table 3 indicates the proportion of respondents who ranked each type of stakeholder either first, second, or third in importance. Note that the types of stakeholders least likely to be ranked high on the list are regulators, competitors, and NGOs.

<b>Table 3: Influences on Corporate Reputation/Integrity</b>			
Question: "10. Rank the following stakeholders in terms of the influence they have on corporate reputation/integrity. Place number in the column below with 1 being the highest or most important and 8 being the lowest or least important."			
	<b>Percentage Who Said #1 (n=132)</b>	<b>Percentage Who Said #1, #2, or #3 (n=132)</b>	<b>Average Value of Rank</b>
Senior management within corporations	30%	66%	2.8
Customers	29%	69%	2.6
Employees	15%	67%	2.8
Shareholders	12%	34%	4.3
Media/financial analysts	8%	24%	4.4
Regulators	2%	15%	5.4
Competitors	0%	10%	5.9
NGOs (non-government organizations)	0%	8%	6.6

**AMONG SEVEN DIFFERENT TYPES OF THREATS TO A CORPORATION'S BRAND, MEMBERS ARE MOST LIKELY TO PERCEIVE TWO AS BEING THE BIGGEST THREATS: ECONOMICS AND COMPETITION.**

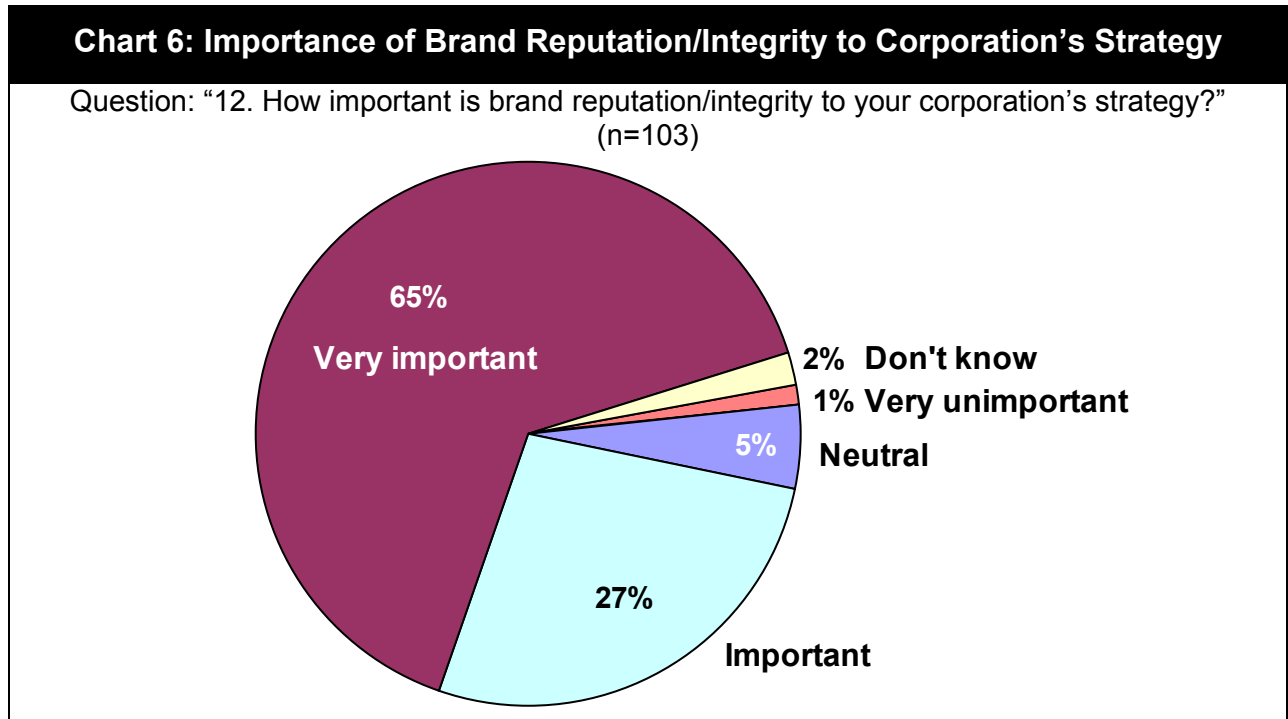
Members ranked seven different types of threats in order of importance in terms of being a threat to the security and integrity of a corporation's brand. Table 4 indicates the proportion of respondents who ranked each type of threat either first, second, or third in importance. Note that the types of threats least likely to be ranked high on the list are (once again) NGOs and religious or environmental movements.

<b>Table 4: Threats to the Security/Integrity of Corporate Brand</b>			
Question: "11. What are the biggest threats to the security and integrity of your corporation's brand? Place number in the column below with 1 being the highest or most important and 7 being the lowest or least important."			
	<b>Percentage Who Said #1 (n=103)</b>	<b>Percentage Who Said #1, #2, or #3 (n=103)</b>	<b>Average Value of Rank</b>
Economics/markets	38%	81%	2.1
Competition	17%	65%	2.8
Corporate governance/transparency	15%	46%	3.7
Threat of litigation	12%	43%	3.9
Geopolitics	7%	32%	4.2
NGO/anti-globalization protestors	3%	18%	5.3
Religious environment/movements	2%	8%	5.9

Asked of corporations but some others choose to answer these questions as well.

**MOST PERCEIVE BRAND REPUTATION AS “VERY IMPORTANT” OR “IMPORTANT” TO THEIR CORPORATION’S STRATEGY.**

Very few believe brand reputation is “very unimportant” to their corporation’s strategy.



Asked of corporations but some others choose to answer these questions as well.

## APPENDIX

DAVOS 20-25 JANUARY 2004

Thank you for taking the time to respond to this questionnaire. The responses will be shared with participants at the Annual Meeting 2004 and will be released to the international press before the Meeting. Additionally, responses will be used during some sessions of the Annual Meeting in Davos, serving as a backdrop for the discussions.

**Responses are confidential and individual responses are not identified.  
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**Do you represent?**

**Where is your company headquartered/registered?**

- |                                                   |                                                       |                                       |                                             |
|---------------------------------------------------|-------------------------------------------------------|---------------------------------------|---------------------------------------------|
| <input type="checkbox"/> United States/<br>Canada | <input type="checkbox"/> Latin America/<br>Caribbean  | <input type="checkbox"/> Europe       | <input type="checkbox"/> Sub-Saharan Africa |
| <input type="checkbox"/> Middle East/North Africa | <input type="checkbox"/> East Asia and the<br>Pacific | <input type="checkbox"/> Central Asia | <input type="checkbox"/> South Asia         |

**If a corporation, please identify your company's sector:**

- |                                              |                                                     |                                                                       |                                                   |
|----------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------|
| <input type="checkbox"/> Aerospace & Defense | <input type="checkbox"/> Automotive                 | <input type="checkbox"/> Chemical                                     | <input type="checkbox"/> Energy                   |
| <input type="checkbox"/> Health              | <input type="checkbox"/> IT & Electronics           | <input type="checkbox"/> Media & Entertainment/<br>Telecommunications | <input type="checkbox"/> Professional<br>Services |
| <input type="checkbox"/> Banking             | <input type="checkbox"/> Retail & Consumer<br>Goods | <input type="checkbox"/> Travel & Tourism                             | <input type="checkbox"/> Other                    |

**How do you consider your brand?**

- |                                       |                                         |                                                                       |
|---------------------------------------|-----------------------------------------|-----------------------------------------------------------------------|
| <input type="checkbox"/> Global Brand | <input type="checkbox"/> National brand | <input type="checkbox"/> National brand operating<br>in global market |
|---------------------------------------|-----------------------------------------|-----------------------------------------------------------------------|

### **SECURITY AND PROSPERITY**

1. Do you think the next generation will live in a safer or less safe world or will it be the same as now?
  - A lot safer than now
  - A little safer than now
  - The same as than now
  - A little less safe than now
  - A lot less safe than now
  - Don't know
  
2. Do you think the next generation will be more economically prosperous, less economically prosperous or the same as now?
  - A lot more economically prosperous than now
  - A little more economically prosperous than now
  - The same as now
  - A little less economically prosperous than now
  - A lot less economically prosperous than now
  - Don't know

3. How you feel about different elements of safety and security that affect us all and the world we live in. Using a scale where 1 means very poor and 5 means very good, how would you rate **each** of the following types of security? *Mark an answer for each.*

	Very Poor 1	2	3	4	Very good 5	Don't know/ No answer
International security/safety						
Environmental safety/security						
Your personal security (physical and national)						
People's current economic position in your country						
Your security and safety in old age or retirement						

4. Using a scale as before, but this time where 1 means much worse and 5 means much better, please rate each of the types of security for how you think they will be in 10 years time. *Mark an answer for each.*

	Much worse 1	2	3	4	Much better 5	Don't know/ No answer
International security/safety						
Environmental Safety/security						
Your personal security (physical and national)						
People's current economic position in your country						
Your security and safety in old age or retirement						

5. How would you rate the current global geopolitical situation?
- High level of geopolitical risk – a largely uncertain period – pessimism
  - Moderate – a time to wait and see
  - Low level political geopolitical risk – the uncertainly period is fading – optimism
6. Are you more or less optimistic about the global economy than you were at last year's World Economic Forum?
- More optimistic
  - Less optimistic

### **BRAND AND REPUTATION**

7. Rank the following in order of importance as a measure of corporate success.

	Rank (place number in the space below with "1" being the highest or most important and "7" being the lowest or least important)
Corporate brand reputation/integrity	
Profitability	
ROI: Return on investments	
Market share	
CSR: Corporate Social Responsibility	
Stock market performance	
Sustainability	
Corporate Governance	
Quality of products or services	

8. Has a corporation's brand reputation/integrity become more important or less important over the past two years?

- More important
- Less important
- No change/no difference

9. Rank the following stakeholders in terms of the influence they have on Corporate reputation/integrity.

	Rank (place number in the space below with "1" being the highest or most important and "9" being the lowest or least important)
Shareholders	
Employees	
Media/financial analysts	
Competitors	
NGO's (non-government organizations)	
Customers	
Regulators	
Senior management within corporations	

**ONLY CORPORATIONS:**

1) What are the biggest threats to security and integrity of your corporation's brand?

	Rank (place number in the space below with "1" being the highest or most important and "6" being the lowest or least important)
Geopolitics	
Competition	
NGO/anti-globalization protestors	
Economics/markets	
Threat of litigation	
Religious Environment/Movements	
Corporate governance/transparency	

2) What proportion of your company's market capitalization is represented by brand/reputation?

- <80%
- 60%-79%
- 40%-59%
- 20%-39%
- >20%

3) How important is brand reputation/integrity to your corporation's strategy? Use the scale below where "5" equals "very important and "1" equals "very unimportant."

V. Important    Important    neutral unimportant    v.unimportant  
 1| \_\_\_\_\_ 2| \_\_\_\_\_ 3| \_\_\_\_\_ 4| \_\_\_\_\_ 5| \_\_\_\_\_ |

- Corporation
- Academic Institution
- Media
- Financial Institution
- Government
- NGO
- Religious Leader
- Other \_\_\_\_\_

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